

## Message Text

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PAGE 01 CARACA 00650 242111Z  
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W  
-----123964 242117Z /75/11  
R 201854Z JAN 78  
FM AMEMBASSY CARACAS  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 829

UNCLAS CARACAS 0650

C O R R E C T E D C O P Y FOR MRN 0650 VICE 0829

E.O. 11652: N/A  
TAGS: BEXP, BE  
SUBJECT: IMPORT RESTRICTIONS: HOUSEHOLD APPLI-  
ANCES.

REF: (A) CARACAS A-172 (B) CARACAS 0092

1. AS ANTICIPATED IN REFAIR, REALITY OF  
LOOMING TRADE DEFICIT, PLUS  
PRESSURE FROM FEDECAMARAS, HAS CAUSED GOV TO  
TAKE FURTHER STEP TO LIMIT IMPORTS. FIRST  
VEHICLES, REFTEL B, NOW HOUSEHOLD APPLICANCES.

2. MINISTER OF DEVELOPMENT ALVAREZ DOMINGUEZ  
HAS ANNOUNCED THAT THE VENEZUELAN CABINET HAS  
APPROVED A DECREE (NOT YET PUBLISHED) WHICH INSTI-  
TUTES PRIOR IMPORT LICENSING REQUIREMENTS FOR HOUSE-  
HOLD REFRIGERATORS, WASHING MACHINES, KITCHEN  
RANGES, TV RECEIVERS, WATER COOLERS,  
PLUMBING FIXTURES, COMMERCIAL REFRIGERATION  
EQUIPMENT SUCH AS DISPLAY CASES WITH COLD  
STORAGE, AND WALL TILES. HE FURTHER STATED  
THAT A TOTAL IMPORT BAN MAY BE PLACED ON  
THESE ITEMS. LOCAL MANUFACTURERS OF THESE  
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ITEMS WILL BE CALLED TO THE MINISTRY TO DISCUSS  
THEIR RECIPROCAL CONTRIBUTION, I.E. THEIR  
WILLINGNESS AND CAPACITY TO INCORPORATE A HIGHER  
LEVEL OF LOCALLY-MADE PARTS AND PRODUCTION OF IMPORT  
SUBSTITUTES OF ACCEPTABLE QUALITY. A COMMISSION  
HAS BEEN SET UP, INCLUDING PRESIDENTS O FEDECAMARAS  
AND NATIONAL COUNCIL OF INDUSTRIES, WHICH WILL MAKE

FINAL RECOMMENDATION WHETHER TOTALLY TO BAN IMPORTS OF ABOVE CATEGORIES OF PRODUCTS.

3. THE MINISTER STATED THAT IMPORTS OF HOUSEHOLD APPLIANCES AMOUNTED TO ABOUT BS. 450 MILLION DURING 1977 AND THAT LOCAL INDUSTRY SHOULD BE ABLE TO SUPPLY MARKET DEMAND. HE ADDED THAT THIS IS BUT ONE IN A SERIES OF STEPS TO CURB UNNECESSARY IMPORTS.

4. EMBASSY COMMENT: VENEZUELAN HOUSEHOLD PRODUCTS MANUFACTURED LOCALLY GENERALLY HAVE A REPUTATION FOR POORER QUALITY AND AMNY CONSUMERS ARE WILLING TO SPEND MORE FOR HIGH-DUTY IMPORTED ITMES. THE DESIRES OF THESE CONSUMERS AND IMPORTERS HANDLING THESE PRODUCTS, VERSUS LOCAL MANUFACTURERS' ABILITY TO INCREASE PRODUCTION, WILL BE BALANCED OFF BY THE MINISTRY IN AD HOC DECISIONS REGARDING THE ISSUANCE OF IMPORT LICENSES. HOWEVER, ALL THE BIAS IS TOWARD RESTRICTION. EMBASSY WILL CONTINUE TO MONITOR STIUATION TO DETERMINE HOW NEW REGULATIONS ARE IMPLEMENTED.

5. SEPTTEL DISCUSSES "LA VIDA MODERNA".

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## Message Attributes

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**Capture Date:** 01 jan 1994  
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**Concepts:** n/a  
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